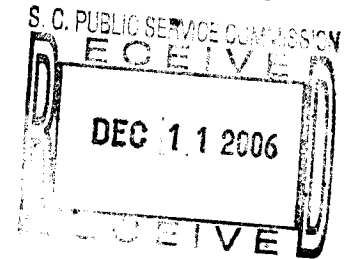


183164

George Fasano, Jr.
Senior Vice President & Assistant Treasurer

gfasano@scana.com



SA

December 8, 2006

Mr. Charles Terreni ✓
Chief Clerk and Administrator
Public Service Commission
of South Carolina
Post Office Box 11649
Columbia, SC 29211

Mr. Dan Arnett
Chief of Staff
Office of Regulatory Staff
of South Carolina
Post Office Box 11263
Columbia, SC 29211

Dear Mr. Terreni and Mr. Arnett:

In compliance with PSC Order 2005-365 in Docket No. 2005-6-G, enclosed please find the report on South Carolina Pipeline Corporations' hedging activities for the period 6/29/06 to 7/27/06.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

George Fasano, Jr.

Attachments:

- Market to Market Results – Hedging of prior month
- Risk Management Program Adjustments
- Futures Transactions and Additional Cost Effect on Cost of Gas
- Program Results
- Contracts Purchased in Advance of Spot Month

GF/ccs

Mark to Market Results
For the Hedging of August 2006 Volumes
6/29 - 7/27
Mark to Market vs. Average Market Price

Contract Settle

7.042

Date	Sales			Purchases			Daily Settle
	Contracts	Price	Mark to Market	Contracts	Price	Mark to Market	
1 06/29/06	-	-	\$0	-	-	\$0	6.135
2 06/30/06	-	-	\$0	-	-	\$0	6.104
3 07/05/06	-	-	\$0	-	-	\$0	5.765
4 07/06/06	-	-	\$0	-	-	\$0	5.664
5 07/07/06	-	-	\$0	-	-	\$0	5.523
6 07/10/06	-	-	\$0	-	-	\$0	5.608
7 07/11/06	-	-	\$0	-	-	\$0	5.633
8 07/12/06	-	-	\$0	-	-	\$0	5.782
9 07/13/06	-	-	\$0	-	-	\$0	6.129
10 07/14/06	-	-	\$0	-	-	\$0	6.347
11 07/17/06	-	-	\$0	-	-	\$0	5.783
12 07/18/06	-	-	\$0	-	-	\$0	5.555
13 07/19/06	-	-	\$0	-	-	\$0	5.862
14 07/20/06	-	-	\$0	-	-	\$0	6.091
15 07/21/06	-	-	\$0	-	-	\$0	6.139
16 07/24/06	-	-	\$0	-	-	\$0	6.605
	0		\$ -	0		\$ -	
			Gain/(Loss) from futures transactions			\$ (87,500)	
			Gain/(Loss) from option transactions			\$ (13,400) **	
			Gain/(Loss) from financial transactions			\$ (100,900)	
17 07/25/06	0	0.000	\$0	0	0.000	\$0	6.409
18 07/26/06	0	0.000	\$0	0	0.000	\$0	6.887
19 07/27/06	0	0.000	\$0	0	0.000	\$0	7.042
	0		\$0	0		\$0	6.0559

Program Results

NYMEX Average Market Price	\$ 6.0559
Purchase Price Achieved per Normal Scenario	-
Difference	6.0559
Ratio of Contract in Normal Scenario to Total Contracts in Plan	-
Price Gain (Loss) per Normal Scenario	-
Adjustment for Contracts Purchased per Low-Price Scenario	-
Adjustment for Contracts Purchased per High-Price Scenario	(1.7068)
Total Price Gain (Loss)	(1.7068)
Contracts In Plan	14
Gain (Loss) vs Average Market Price	\$ (238,947)

**South Carolina Pipeline Corporation
Risk Management Program Adjustments
Through July 2006**

	January	February	March	April	May	June	July	August	September	Total 2006
Commissions	\$ 1,456	\$ 3,062	\$ 1,612	\$ -	\$ -	\$ 337	\$ 204			\$ 6,671
Software	2,073	2,093	2,054	1,885	1,967	2,016	2,048			14,136
Subscriptions	4,500	4,500	4,500	4,500	4,500	4,500	4,500			31,500
Data Feed	288	280	280	280	280	290				1,738
Non Hedging Addition to Cost of Gas	8,317	9,945	8,456	6,675	6,757	7,143	6,752	-	-	54,045
Hedging Additions(Subtractions)	(1,015,950)	1,005,450	700,900	-	-	288,700	193,650			1,182,750
Total Risk Management Program Adj.	<u>\$ (1,007,633)</u>	<u>\$ 1,015,395</u>	<u>\$ 709,356</u>	<u>\$ 6,675</u>	<u>\$ 6,757</u>	<u>\$ 305,843</u>	<u>\$ 200,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,236,795</u>

Results since Inception of program

	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total 2006	Total
Commissions	\$ 3,924	\$ 53,121	\$ 83,496	\$ 59,112	\$ 56,199	\$ 50,197	\$ 38,459	\$ 49,415	\$ 42,907	\$ 12,468	\$ 17,127	\$ 6,671	\$ 473,096
Software	4,215	9,547	8,847	8,412	8,412	17,063	29,176	21,782	12,082	25,549	63,482	14,136	222,703
Subscriptions	9,582	23,038	25,676	31,277	31,188	34,387	31,240	31,188	51,054	54,000	54,000	31,500	408,130
Data Feed	2,061	5,296	6,429	5,305	3,575	4,200	4,235	4,413	5,568	6,104	6,569	1,738	55,493
Non Hedging Addition to Cost of Gas	19,782	91,002	124,448	104,106	99,374	105,847	103,110	106,798	111,610	98,121	141,178	54,045	1,159,421
Hedging Additions(Subtractions)	(284,600)	(3,722,050)	27,450	3,410,280	(838,620)	(4,136,410)	12,684,200	11,012,500	(14,781,610)	2,315,013	(1,998,310)	1,182,750	4,869,573
Total Risk Management Program Adj.	<u>\$ (264,616)</u>	<u>\$ (3,631,049)</u>	<u>\$ 151,898</u>	<u>\$ 3,514,386</u>	<u>\$ (739,246)</u>	<u>\$ (4,030,563)</u>	<u>\$ 12,787,310</u>	<u>\$ 11,119,298</u>	<u>\$ (14,670,000)</u>	<u>\$ 2,413,134</u>	<u>\$ (1,858,132)</u>	<u>\$ 1,236,795</u>	<u>\$ 6,028,994</u>

South Carolina Pipeline Corporation
Futures Transactions and Additional Costs Effect on Cost of Gas
Through July 2006

<u>Month</u>	<u>Yr</u>	<u>Cost of Gas Without Futures</u>	<u>Cost of Gas With Futures & Additional Costs</u>	<u>Addition to/ (Subtraction from) Cost of Gas</u>
1995 Total		26,240,595	25,975,777	(264,818)
1996 Total		113,461,568	109,830,520	(3,631,048)
1997 Total		132,211,553	132,363,451	151,898
1998 Total		81,397,552	84,911,918	3,514,366
1999 Total		96,671,309	95,932,063	(739,246)
2000 Total		177,625,268	173,594,705	(4,030,563)
2001 Total		203,284,081	216,071,391	12,787,310
2002 Total		143,116,542	154,235,840	11,119,298
2003 Total		208,851,322	194,181,322	(14,670,000)
2004 Total		214,449,674	216,862,809	2,413,134
January	05	31,376,227	31,386,047	9,820
February	05	31,647,818	33,364,785	1,716,967
March	05	21,587,016	23,276,836	1,689,820
April	05	11,514,840	11,524,311	9,471
May	05	7,597,756	8,071,334	473,578
June	05	5,495,508	6,232,685	737,177
July	05	6,170,920	6,396,572	225,652
August	05	6,710,804	6,652,645	(58,159)
September	05	9,046,551	8,502,469	(544,082)
October	05	39,957,076	38,363,561	(1,593,515)
November	05	52,200,827	49,792,717	(2,408,110)
December	05	78,864,161	76,747,410	(2,116,751)
January	06	68,436,085	67,428,452	(1,007,633)
February	06	32,171,593	33,186,988	1,015,395
March	06	21,318,456	22,027,812	709,356
April	06	8,631,309	8,637,984	6,675
May	06	7,206,629	7,213,386	6,757
June	06	6,013,388	6,319,231	305,843
July	06	5,679,821	5,880,223	200,402
Total		<u>\$ 1,848,936,249</u>	<u>\$ 1,854,965,244</u>	<u>\$ 6,028,994</u>

South Carolina Pipeline Corporation
Program Results
Through August 2006

	January	February	March	April	May	June	July	August	September	Total 2006
NYMEX Average Market Price	\$ 13.5143	\$ 9.3231	\$ 7.7944	\$ 6.9274	\$ 7.3345	\$ 6.4116	\$ 6.3974	\$ 6.0569	\$ -	\$ -
Purchase Price Achieved per Normal Scenario	-	9.0060	7.9022	-	-	-	-	-	-	-
Difference	13.5143	0.3171	(0.1078)	6.9274	7.3345	6.4116	6.3974	6.0569	-	-
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-	-	-	-	-
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	3.9647	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per High-Price Scenario	3.9647	-	-	-	-	-	-	-	-	-
Total Price Gain (Loss)	54	168	90	-	(1,0069)	(0.8728)	(0.8728)	(1,7068)	-	-
Contracts in Plan	54	168	90	-	20	14	14	14	-	360
Gain (Loss) vs Average Market Price	\$ 2,140,960	\$ 632,728	\$ (87,021)	\$ -	\$ (201,362)	\$ (122,193)	\$ (122,193)	\$ (238,947)	\$ -	\$ 2,014,135

	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total 2006	Total
NYMEX Average Market Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-	-	-	-	-	-	-	-
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Contracts Purchased per High-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Price Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts in Plan	212	1,359	2,074	2,431	2,327	2,206	2,307	2,266	856	731	1,008	360	18,136
Gain (Loss) vs Average Market Price	\$ 49,364	\$ 1,324,047	\$ (131,539)	\$ (1,672,760)	\$ 1,772,963	\$ 1,294,867	\$ (11,368,359)	\$ (12,400,430)	\$ 10,379,773	\$ (1,618,924)	\$ 1,343,901	\$ 2,014,135	\$ (8,833,600)

South Carolina Pipeline Corporation
Contracts Purchased in Advance of Spot Month
Updated Through July 27, 2006

Contract Month	Type of Security	Date	Sales			Purchases		
			Number of Contracts	Price	Total Dollars	Number of Contracts	Price	Total Dollars
September 2006	Futures	02/13/06	-	\$	-	3	8.100	\$ 243,000
		02/15/06	-	\$	-	3	7.950	\$ 238,500
		02/28/06	-	\$	-	3	7.440	\$ 223,200
		05/31/06	-	\$	-	2	6.680	\$ 133,600
		07/06/06	-	\$	-	1	6.090	\$ 60,900
		07/10/06	-	\$	-	2	5.950	\$ 119,000
		07/20/06	-	\$	-	5	6.205	\$ 310,250
		07/24/06	-	\$	-	10	6.723	\$ 672,300
			-	\$	-	-	\$	-
			-		-	29	\$	2,000,750
			Purchase price of futures contracts			Per Dekatherm		
			Current value of outstanding futures			Total Dollars		
			Total deferred gain/(loss)					
Options	05/23/06	-	\$	-	1	0.970	\$ 9,700	
		-	\$	-	-	\$	-	
		-		-	1	\$	9,700	
			Purchase price of call options			Per Dekatherm		
			Current value of outstanding calls			Total Dollars		
			Total deferred gain/(loss)					